GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2112
ANSWERED ON:04.08.2000
MONEY TRANSACTION RACKETS
DILIP KUMAR MANSUKHLAL GANDHI;M.V.CHANDRASHEKHARA MURTHY;SHYAMA SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Income Tax Department has recently unearthed a multi crore money transaction racket in the capital involving some big persons relating to industries and Chartered Accountants;

(b) if so, the modus operandi of such racket;

(c) whether the Chartered Accountants in the country are highly involved with companies in helping to run such rackets; and

(d) if so, the steps taken by the Government against companies and Chartered Accountants involved in such rackets?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a) & (b): Searches have been conducted by the Department in the cases of a few Chartered Accountants and related persons. The modus operandi was opening of bogus bank accounts through which cash was routed as non-existant loans etc. Hawala entries of long term and short term capital gains and losses were provided by trading in shares of companies which existed on paper only.

(c): No such instance has come to the notice of the Government.

(d): In view of answere to Part(c) of the question, does not arise.